

FOR IMMEDIATE RELEASE:

Small Business Administration Disaster Loans Requested for Grayson County

Governor Patton Forms Special Recovery Unit for Disaster-Stricken Communities

FRANKFORT, Ky. (June 5, 2000) - When the last disaster damage tallies were compiled after the May 23 tornadoes in Leitchfield, a hard reality emerged--widespread destruction, but not enough to qualify for a presidential disaster declaration and certain types of federal aid.

Governor Paul Patton says the disaster aid red tape scenario is all too common, and he's asked state agencies to form their own system for bringing help when federal programs are not available.

"Above all we want to protect the very livelihoods of disaster victims," said Patton. Patton said over 350 workers have applied for unemployment insurance benefits at a satellite office set up temporarily in the Grayson County courthouse.

A disaster "recovery and redevelopment" team has been formed, consisting of several state agencies who can help communities such as Leitchfield facing serious economic challenges in the wake of major emergencies and smaller disasters.

The first meeting of the team will take place Monday, June 5 at the state's Emergency Operations Center in Frankfort. Participating will be the Area Development District, Attorney General's Office and state agencies for Agriculture, Economic Development, Emergency Management, Employment Services, Environmental Protection, Local Government, the National Guard and Workforce Development along with the Kentucky Housing Corporation.

Team representatives will visit with Leitchfield and Grayson County officials next week to discuss ways to help both the business community and individual disaster victims recover.

Governor Patton has already announced that up to \$2 million in community development block grants will be set aside for Grayson County businesses damaged or destroyed by the tornadoes. The state is also providing \$250,000 in community emergency relief funds to help local governments deal with a major debris removal effort.

Patton said he expects to hear "in the next few days" if U.S. Small Business Administration (SBA) low interest disaster loans will be made available for businesses and residents alike. "The loans are typically 3 to 4% interest," said Patton, "and have proven helpful to hundreds of Kentucky's emergency and disaster victims over the years." The SBA has the authority to make available disaster loans even if a presidential disaster declaration is not made.

An SBA survey team was in Leitchfield Wednesday, working with local and state emergency management officials.

Patton inspected tornado damages in Leitchfield Tuesday, speaking with affected industry representatives and homeowners. "I saw homes that had been completely demolished," said Patton.

"When your home is destroyed, you feel like a federal disaster victim," Patton said, "whether or not an official declaration is made. We want to make sure each victim, and the affected businesses, get all the state government help we can possibly provide," Patton said.

"In disaster response we always say we can't make each victim 'whole' again, but we want to do all we can," Patton added.